

LINCOLN WATER COMMISSIONERS

June 3, 2015

A Work Session meeting of the Lincoln Board of Water Commissioners was held at the Lincoln Water Commission Office with Commissioners Frederick Conklin, George Hadley, Edward Fox and Rene Lapierre present. Commissioner Eric Fox was absent. Also present was Water Superintendent Romeo Mendes and Maureen Smith.

The meeting was called to order at 6:00 p.m. by Commission Chairman Conklin.

The Commissioners called the work session to continue their review the draft of the 2015-2016 budgets.

ADMINISTRATIVE APPROPRIATIONS

Detail 010 – Commissioners Salaries – The annual salary is set per ordinance by the Town Council according to the Town Charter. There are no changes to this line item.

Detail 020 – Salaries/Administrative – This line item reflects the superintendents' salary and the Assistant to the Superintendents' salary. The increase includes a proposed two and one half per cent (2.5%) increase over the current salary.

The proposed line shows a decrease of \$68,400.00 from the 2014/2015 budget. Previous years expenditures included the previous superintendents' sick leave and vacation pay due to retirement.

Detail 030 – Expenses – Expenses include annual Commissioner Expenses, Superintendent Expenses and conference/seminar expenses. This line item has been increased by \$6,000.00. The

increased amount allows for mileage/toll reimbursement for the Superintendent's vehicle, the increase in conference costs, SMART Irrigation reimbursements, Annual Association costs and miscellaneous Commission expenses.

There is a \$7000.00 increase to this line item. Costs for items that have been credited to this line item have not been previously defined. This increase represents a more accurate accounting of the monies spent in previous years.

This line also includes a \$4,200.00 request for vehicle reimbursement by the Superintendent. It was requested as it had been received by the previous Superintendent.

Detail 040 – Salaries/Office – Superintendent Mendes advised the Board that there is a 2.5% increase in this line item and that these salaries are set by the Commission. The 2.5% is the same increase given to the laborers by the current contract. Office raises historically follow the laborers' contract. Commissioner Lapierre questioned the line items for office maintenance and secretary. The Office Cleaning is done twice weekly at a rate that may be less than a cleaning company would cost. The secretary pay covers the cost of the secretary for the meetings.

Commissioners requested that a comparison be done to look at the costs for a cleaning company to come in verses the current arrangement.

There is a \$4,000.00 increase in this line item from the 2014/2015 budget.

Detail 050 – Pension Funds – The majority is set by law, due to a

required recovery program. This includes a 10% increase for a ten year period and contractual agreements – increases are in January of each year– The superintendent and assistant to the superintendent pensions are set by the Commission. The amount also includes projected payments for a former superintendent and administrative assistant and the deferred compensation match. Amounts include the proposed 2.5% increases.

There is a \$9,400.00 increase in this line item from the 2014/2015 budget.

Detail 060 – Maintenance Office Equipment – The majority of these expenses are contractual for software programs and maintenance on equipment. Numbers are based on the current contractual costs.

There is a \$1,900.00 increase in this line item from the 2014/2015 budget. This includes the cost for a new bar code reader for office time keeping and fee increases on contracts.

Commissioners discussed ways to try to eliminate the need for off-site storage.

Detail 070 – Insurance – This amount was based on previous year's costs. This amount may decrease/increase prior to the adoption of the budget. The detail sheet will be re-worked if the billing comes in.

There is a \$1,000.00 decrease in this line item from the 2014/2015 budget.

Detail 080 – Stationary and Supplies – This line item remains the same as the previous years. There are no anticipated increases or decreases for the costs associated with this line item.

Detail 090 – Postage – This item is based on a postage rate of \$.391

for the residential billing – This is a reduced rate due to using a third party billing system - The balance is based on the current rate of \$0.49 for the quarterly, monthly, fire line and private hydrant billing and the balance at the same rate for correspondence, reminders, notices and touchpad change notices. The proposed amount also includes a \$0.26 amount for the CCR Report that is being included with the July 1, 2015 quarterly billing.

There is a \$900.00 increase to this line item due to the postage rate increase that begins on June 1, 2015.

Detail 100 – Telephone and Telephone Alarms – This amount is bundled and under contract. The amount has been decreased by \$2,500.00 from the 2014/2015 budget. This is due to the alarms no longer being needed when the SCADA system is in full operation and Internet Fees being moved to Detail 060. The monthly cost for cell phones has also decreased.

Detail 110 – Heating and Fuel – The amount is based on prior years usage and price increase. There was no recommendation for change to this amount.

Detail 111 – Electricity – The amount is based on prior years' usage. This amount covers the electricity at the 96 Old River Road building. The balance of the electrical bills is under pumping power which is based on billings from National Grid and Direct Energy.

There is a \$600.00 decrease to this line item from the 2014/2015 budget.

Detail 112 – Payroll Taxes – This amount has been decreased by \$34,000 from the 2014/2015 budget. The previous budget amount

included projected overtime expenses on utility wages. This item is determined by payroll amounts. The previous amount included estimated amounts to be paid due to the 2014 layoffs of 2 employees. The two employees have exhausted the 26 weeks of benefits and have been hired by other companies.

Detail 113 – BlueCross/Delta Dental – Co-pays will remain at 20% over the next three years of the current contract. There is a projected increase in the working rates of up to 6.99%. This line item may change prior to the approval of the new budget. There is no pending increase to the Delta Dental portion of the plan.

Detail 114 – Consulting Fees – Professional and Legal – This line item will remain the same. There are no projected increases or decreases in this line item.

Total projected expenditures for 2015 – 2016 for administration appropriations are \$838,550. This is a decrease of \$83,300.00 from the 2014 /2015 budget.

MAINTENANCE APPROPRIATIONS

Detail 210 – Wages/Utilities -This amount is set by union contract. The line was set at \$336,600. This is an increase of \$9,600. The increase includes a two and one-half per cent (2.5%) increase in wages, a promotion for one utility crew member to pipefitter and longevity increases.

Detail 220 – Mains Hydrants, Etc. – The budgeted amount for this line remains the same at \$30,000.00. This item covers repairs to water main, hydrants, and valves and includes road restoration and flaggers.

Detail 230 – Services – This item was set at \$10,000. There was no change in the amount from the previous budget.

Detail 240 – Tools and Safety Equipment – This line is set at \$12,250 and represents a \$50 increase over the 2014 -2015 budget. There is a cost increase for tank rentals.

Detail 250 – Gasoline and Oil –The line was set at \$32,000 in the 2014/2015 budget. This amount has been decreased by \$8,000.00 based on charges from 2014/2015.

Detail 260 – Power/Pumping – This amount is based on actual utility bills from the previous year. The line item is increased to \$125,700. This is an increase of \$20,700 over the 2014 – 2015 budget.

Detail 270 – Supply of Water – The line was set at \$1,385,000. This is based on a projected amount of water to be purchased in the upcoming year. The line remains the same. There are no anticipated increases in the costs and supply is projected to remain consistent with the previous year.

Detail 280 – Vehicle Maintenance – The line was set at \$10,000. There is no change from the 2014 -2015 budget.

Detail 290 – Sampling and Testing – The testing is based on Federal and State requirements. The line increased to \$10,200 from the 2014/2015 budget. UCMR3 testing accounts for the \$1,200 increase to this line item.

Detail 310 – Maintenance of Radios and Monitoring Equipment – This line remained the same at \$7,000.

Detail 311 – Maintenance of Buildings – This line remained the same at \$6,000.

Detail 312 – Education/Certification – This covers certification exams, seminars, licenses and all educational seminars. This line has been increased by \$1,500 from the 2014/2015 budget.

Detail 313 – Dig Safe – This is a contractual agreement and is necessary to the operations of the Commission. The line was set at \$4,300 and represents a decrease of \$1,000 due to a decrease in costs from the 2014/2015 budget.

Total projected expenditures for 2015 – 2016 for maintenance appropriations are \$1,965,550. This is an increase of \$24,050.00 from the 2014 /2015 budget.

FINANCIAL APPROPRIATIONS

Detail 333 – Debt Service – This line was set at \$240,000. There are no anticipated increases for this line.

Detail 330 – Depreciation – This amount remains at \$351,000 based on the depreciation scheduled received from the Town finance department for 2014/2015.

Detail Sick Leave Credits - There was no recommendation to change this amount and it remains at \$7,000.

Total projected expenditures for 2015 – 2016 for financial appropriations are \$598,000. There is no increase over the 2014 /2015 budget.

Total projected expenditures for fiscal year 2015 – 2016 are \$3,402,100.00. The represents a \$59,250.00 decrease from fiscal year 2014 – 2015.

The Commission reviewed the estimated revenue budget for 2015 - 2016

ESTIMATED

REVENUE	BUDGET	BUDGET	2014/2015	PROPOSED
2015/2016 INCREASE/DECREASE				
CURRENT PROPOSED OVER 2014/2015				
WATER	\$	3,162,700.00	\$	3,162,600.00
				\$
				(100.00)
ADMINISTRATIVE FEE				
	\$	10,000.00	\$	10,000.00
				\$
				-
CONNECTION CHARGES				
	\$	8,000.00	\$	8,000.00
				\$
				-
FIRE PROTECTION				
	\$	125,000.00	\$	125,000.00
				\$
				-
INTEREST/OVERDUE BILLS				
	\$	15,000.00	\$	15,000.00
				\$
				-
ENG. FEES & MISC				
	\$	45,000.00	\$	45,000.00
				\$
				-
INTEREST/INVESTMENTS				
	\$	65,000.00	\$	15,000.00
				\$
				(50,000.00)
SERVICE EQUITY				
	\$	22,000.00	\$	20,000.00
				\$

(2,000.00)

METER RECYCLING	\$	6,400.00	\$	2,500.00	\$
				(3,900.00)	

CREDIT CARD FEE	\$2,250.00	\$1,000.00	\$	(1,250.00)
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\$	3,461,350.00	\$	3,404,100.00	\$	(57,250.00)
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Revenues decreased in the following areas: Interest on Investments, Service Equity, Meter Recycling and Credit Card Fees.

The Board reviewed the Non-Operating Commitments for 2015/2016. Superintendent Mendes discussed preparing a bid in the fall of 2015 for the exterior tank painting of the Albion Road tank in the spring of 2016. The interior of the tank is due for the one year inspection. Cost for the inspection is approximately \$1,800.00 and will be done remotely with a submarine/robot. The 10% detainment of funds will be distributed upon the receipt of the report barring any deficiencies. The Superintendent advised the Commission that approximately a half a million dollars will be spent every 5 years to keep the tanks painted.

The Superintendent is looking for future cleaning and lining once the

tank is painted. The Superintendent advised that cleaning and lining requires about \$2,000,000 yearly. The Commission tries to line these projects up with the Town's paving programs and works in the areas in most need due to fund availability.

The Board will continue to review and discuss of the 2015/2016 budget at the June 10, 2015 Regular meeting of the Lincoln Water Commission.

The Commission will also entertain a motion to approve the budget at the same meeting.

ADJOURN

There being no further business before the board the meeting adjourned at 7:15 p.m.